

OVERSIGHT BOARD  
SUCCESSOR AGENCY  
TO THE WEST HOLLYWOOD  
COMMUNITY DEVELOPMENT COMMISSION  
DISCUSSION ITEM

MAY 10, 2012

SUBJECT: APPROVE DRAFT RECOGNIZED OBLIGATION PAYMENT  
SCHEDULE FOR THE PERIOD FROM AUGUST 2011  
THROUGH JUNE 30, 2012

INITIATED BY: SUCCESSOR AGENCY  
(Elizabeth Savage, Acting Director - Rent Stabilization and  
Housing) *ESS*  
(David Wilson, Interim Director - Finance) *DW*  
(John Leonard, Project Development Administrator) *JPL*

---

STATEMENT ON THE SUBJECT:

The Oversight Board will consider approval of the draft Recognized Obligation Payment Schedule for the period from August 2011 through June 30, 2012.

RECOMMENDATION:

Approve the draft Recognized Obligation Payment Schedule for the period from August 2011 through June 30, 2012.

BACKGROUND ANALYSIS:

Pursuant to Assembly Bill x1 26 ("AB x1 26"), all redevelopment agencies in the State were dissolved on February 1, 2012, including the West Hollywood Community Development Commission ("CDC"), which was the City's redevelopment agency. Upon agency dissolution, AB x1 26 created successor agencies to continue to satisfy enforceable obligations and administer the dissolution of each agency. On September 19, 2011, the City Council of the City of West Hollywood ("City Council") adopted Resolution No. 11-4219, electing to become the Successor Agency to the CDC upon its dissolution ("Successor Agency"). Pursuant to Health and Safety Code Section 34177 successor agencies are required to continue to make payments due for enforceable obligations of the former redevelopment agencies. A draft Recognized Obligation Payment Schedule ("ROPS") for the period from August 2011, through June 30, 2011, was adopted by the Successor Agency on February 21, 2012. AB x1 26 originally required that ROPS begin in August 2011, before portions of the bill were stayed while the California Supreme Court ruled on the lawsuit, *California Redevelopment Association v. Matosantos*, and subsequently updated the applicable dates in the bill. The initial dates (August 2011 – December 2011) were left on the ROPS, for tracking purposes, resulting in a draft ROPS for the

period August 2011 through June 30, 2012. The ROPS was submitted to the State Controller's Office and State Department of Finance before April 15, 2012, in compliance with AB x1 26. The ROPS for the aforementioned period is included as Attachment 1. The following provides brief descriptions of the enforceable obligations listed on the ROPS, back-up documentation for these items is provided as Attachments 2-9. Additional documents can be provided as necessary, if available.

- 1) 2003 Tax Allocation Bond Debt Service – Debt service payments for housing and non-housing tax allocation bonds. Bond proceeds were previously used for both housing and non-housing projects.
- 2) 2011 Tax Allocation Bond Series A Debt Service – Debt service payments for non-housing tax allocation bond proceeds in the amount of \$30,560,000, dated March 2, 2011. Bond proceeds are to be used for Phase 1 of the Plummer Park Master Plan (See Official Statement "Plan of Finance"), as listed in the Cooperation Agreement (See ROPS item 12 – project line item in Cooperation Agreement; "Plummer Park Rehabilitation and Parking").
- 3) 2011 Tax Allocation Bond Series B Debt Service - Debt service payments for housing tax allocation bond proceeds in the amount of \$9,420,000, dated March 2, 2011. Bond proceeds are to be used for low and moderate income housing projects within the East Side Project Area (See Official Statement "Plan of Finance"), as listed in the Cooperation Agreement (See ROPS item 12 – project line items in Cooperation Agreement; "Alternative Living for the Aging", "La Brea Apartments", "Affordable Housing Project", "Affordable Housing Acquisition and Rehabilitation", "West Hollywood Community Housing Corporation – Disabled Access, Maintenance and Rehabilitation").
- 4) City Loans – City of West Hollywood – On June 3, 1996, the CDC approved an advance and reimbursement agreement with the City of West Hollywood for administrative and overhead expenses associated with the CDC. Since the Agency's only project area, the East Side Project Area, was adopted on June 2, 1997, the City has made various loans to the CDC, and the CDC has made various payments to the City, through amendments to the original agreement. As of June 20, 2011, the remaining balance due to the City from the CDC was \$25,750.
- 5) Affordable Housing Loan Agreement – Alternative Living for the Aging – Financing for a seventeen (17) unit very-low income senior housing project located at 937 North Fairfax Avenue. Loan agreement executed on April 5, 2011, in the amount of \$2,482,025.
- 6) Pre-Development Loan – West Hollywood Community Housing Corporation – Financing for a thirty-two (32) unit very-low and extremely-

low income housing project located at 1145-1151 La Brea Avenue. Loan agreement executed on November 15, 2010, in the amount of \$2,750,000.

- 7) Agency Employee Costs – Payroll costs for Agency employees, in the amount of \$421,314, for fiscal-year 2011-12.
- 8) Agency Employee Leave Liability Costs – Leave liability costs for Agency employees, in the amount of \$136,795, for fiscal-year 2011-12.
- 9) Agency Operating Costs – General operational costs for the Agency, in the amount of \$29,329, for fiscal-year 2011-12.
- 10) Agency East Side Project Advisory Committee Operating Costs – Administrative and meeting expenses for the East Side Project Advisory Committee, in the amount of \$21,000, for fiscal-year 2011-12.
- 11) Food Lab Revitalization Loan – Property rehabilitation loan, through the Agency's Commercial Revitalization Program, in the amount of \$25,000. Agreement was executed on March 10, 2011.
- 12) Cooperation Agreement for Public Works and Affordable Housing Projects – Cooperation Agreement between the City of West Hollywood and the CDC for various capital improvement (public works) and affordable housing projects. The Cooperation Agreement was entered into on January 18, 2011. The Cooperation Agreement provides the City of West Hollywood with funding, in the amount of \$54.5 million; \$38.5 million is allocated for specified capital improvement/public works projects and \$16 million for affordable housing projects. Financing for the Cooperation Agreement includes \$39.98 million in bond proceeds (2011 Series A and B Bonds) and \$14.52 million in monies from the Redevelopment Obligation Retirement Fund (RORF). Projects specified in the Agreement include; Plummer Park Rehabilitation and Parking, Sewer Renovation, La Brea Streetscape, Neighborhood Landscape and Lighting Program, Brownfields Clean Up – Santa Monica Boulevard, Alternative Living for the Aging 17 unit very-low income housing project, West Hollywood Community Housing Corporation La Brea Apartments 32 units very-low and extremely-low income housing project, Affordable Housing Project of 40 units, Affordable Housing Acquisition and Rehabilitation of 40 units, and West Hollywood Community Housing Corporation – Disabled Access, Maintenance and Rehabilitation.

FISCAL IMPACT:

\$23,937,251.38 in RORF funds, bond proceeds, and previous agency tax increment funds would be allocated to meet the obligations detailed on the ROPS.

ATTACHMENTS:

- Attachment 1: Draft Recognized Obligation Payment Schedule for the period from August 2011, through June 30, 2012 adopted by the Successor Agency on February 21, 2012.
- Attachment 2: 2003 Tax Allocation Bonds Official Statement
- Attachment 3: 2011 Tax Allocation Bonds Series A Official Statement
- Attachment 4: 2011 Tax Allocation Bonds Series B Official Statement
- Attachment 5: City Loan Resolutions – Initial resolution (June 3, 1996) and most recent resolution (June 20, 2011)
- Attachment 6: Affordable Housing Loan Agreement between the CDC and Janet L. Witkin Center, LLC (Alternative Living for the Aging)
- Attachment 7: Loan Agreement between the CDC and West Hollywood Community Housing Corporation, for the La Brea Apartments
- Attachment 8: Loan Agreement between the CDC and Dominik Nino Linsmayer (Food Lab)
- Attachment 9: Cooperation Agreement between the City of West Hollywood and the CDC for payment of costs associated with certain CDC funded capital improvement and affordable housing projects